British Columbia Racing Commission

Annual Report

2000 - 2001

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October 24, 2001

The Honourable R.T. (Rich) Coleman
Minister of Public Safety and Solicitor General
Room 236
Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister:

I respectfully submit the Annual Report of the British Columbia Racing Commission for the period of April 1, 2000 to March 31, 2001.

Included in this report are details of Commission activities and statistics for the 2000–2001 horse racing season.

On September 14, 2001 you announced the consolidation of gaming policy and regulation, which includes the work of the BC Racing Commission. These changes will be reflected in the 2001-2002 Annual Report.

Yours sincerely,

Alison MacPhail
A/Deputy Solicitor General and
Chair, BC Racing Commission

Enclosure

Ministry of Public Safety and Solictor General

British Columbia Racing Commission

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[redacted] COMMISSION STAFF:

As of March 31, 2001

LORNA ROMILLY, CHAIR

GAR CAMPBELL

PETER ELLICKSON

JANE HENDERSON, Q.C.

GORDON LARKIN

FRANCES MONK

ALFRED SCOW

Joseph Horton
Director of Racing

Phillip Dong, C.G.A.
Secretary-Treasurer

Sam Hawkins
Steward

Sten Matell
Steward

Wayne Russell
Steward / Investigator

Keith Smith
Steward

Herb Hugel
Judge

Garry Woods
Judge

Dr. Don Olson
Thoroughbred
Veterinarian

Dr. James Saunders
Standardbred
Veterinarian

Brent Collins
Chief Investigator

Maureen Howard
Investigator

Howard Joskowitz
Investigator

Ken Matheson
Investigator

Beverly Jarvis
Administrative Assistant

Tracey Krilow
Administrative Assistant

Susan Owen
Administrative Assistant

Tom Purgas
Reconciliation Clerk

INTRODUCTION

The British Columbia Racing Commission, established in 1960 by the provincial government, governs, and regulates horse racing in the province. The vision of the BC Racing Commission is to develop government and industry partnerships that contribute to a healthy and sustainable horse racing and breeding industry in BC. Its mission or purpose is to promote, through regulation, a high standard of standardbred and thoroughbred racing, and to maintain the confidence of the betting public in the industry. Responsibility for economic development of the horse racing industry was added to BCRC's responsibilities in 2000.

The BC Racing Commission's mandate has been primarily that of regulating horse racing (*Horse Racing Act*, 1993) with the additional role of allocating rebated tax revenue for industry purses, breed incentive programs, racing facility development and research. An amendment to the *Horse Racing Tax Act* in July 2000 returned all tax revenue to the racing industry in BC. It also assigns an annual amount for economic development, to be determined by the Minister responsible for gaming. In 2000-2001, that amount was $ 1 million, and was conditional on the establishment of an industry Economic Development Committee. The committee's mandate was to look at strategies that would promote the racing industry in British Columbia. Membership on the committee included people with business and marketing expertise, as well as those directly involved in the horse racing industry.

In 2000, the BCRC expanded the existing Thoroughbred and Standardbred Advisory Committees, to include the race track operators. These committees have consulted widely within the industry and have developed business plans based on their consultations.

The BC Racing Commission has established a strong set of core values as follows:

Integrity:
- ensuring the confidence of the betting public through the quality of horse races;
- ensuring safety and security on the track and the backstretch; and
- ensuring appropriate people are licensed correctly.

Fairness & equity:
- ensuring race meets are conducted with fairness and equity.

Justice:
- ensuring the racing industry and its participants have equal access to the Commission's processes;
- investigating all alleged violations in a timely fashion; and
- initiating action where appropriate and holding fair hearings.

The Commission's powers are legislated through the *Horse Racing Act,* the *Horse Racing Act Regulations,* the *Horse Racing Tax Act* and the *Horse Racing Tax Act Regulations.* The Commission is also responsible for administering the Horse Racing Tax Revenue, specified in the above Acts. The *Horse Racing Tax Act* establishes that seven percent of each net dollar wagered on horse racing in the province is to be remitted to the Ministry of Finance and Corporate Relations. The Commission retains discretion over how the funding is distributed as set out in the *Horse Racing Tax Act* and Regulations. The distribution formula is determined in conjunction with the Thoroughbred and Standardbred Advisory Committees.

The B.C. Racing Commission – Our Functions and Resources

The Commission, from its headquarters in Burnaby, oversees horse racing at seven separate race tracks, including:

- Fraser Downs in Surrey
- Hastings Park Racecourse in Vancouver
- Kin Park in Vernon
- Sagebrush Downs in Kamloops
- Sandown Raceway in Sidney
- Sunflower Downs in Princeton
- Desert Park in Osoyoos

At the present time, the Commission is composed of seven part-time, Order in Council appointees, who are responsible for:

- making decisions relating to the *Horse Racing Act;*
- establishing race dates for racing associations and
- overseeing medication issues, licensing and fees, teletheatre betting sites, and the distribution of monies from the Horse Racing Tax Revenue.

The Commission also hears appeals of the rulings of judges and stewards against licensees found to be in violation of the *Horse Racing Act* or the *Horse Racing Rules.*

The Commission's 18 full-time positions include:

- management - consisting of a director of racing and a secretary-treasurer
- racing officials - including judges, stewards and investigators at each racetrack
- administrative staff - for reconciling wagering, organizing hearings and appeals, maintaining licensing records, recording ownership and placing of horses and providing administrative support to the Director & Secretary-Treasurer
- contracted staff - including accountants, lawyers, veterinarians and stewards for the interior tracks.

Race Management	Director of Racing, Senior Judge, Judges, Senior Steward, Stewards, & Investigators	13.0 FTE's
Administration of the Horse Racing Tax Revenues	Secretary-Treasurer and Administrative Staff	5.0 FTE's
Medical Management	Contracted Veterinarians	
Commissioners	Seven appointed by Order in Council	
Commission Costs	BCRC direct operating costs (incl. Salaries & benefits)	$1,800,000
Grants & Contributions	Grants & Awards programs (net of monies generated from interest & funds from reserve)	$12,000,000
Revenues Generated	Horse Racing Tax Revenues	($13,800,000)
Net Cash	Source to / Requirement from Government	$ NIL

FINANCING TRANSACTION DESCRIPTION

Advances (disbursements) are provided to the BCRC in respect of* Horse Racing Tax Act *taxes on wagering collected on the Commission's behalf by the Ministry of Finance and Corporate Relations. Administration costs are funded through the Ministry of Finance and Corporate Relations' voted appropriations.

HORSE RACING TAX REVENUE

The Horse Racing Tax Revenue (H.R.T.R.) is administered by the B.C. Racing Commission to sustain the quality and activity of the horse racing industry in British Columbia. Under the Horse Racing Tax Act, an amount equivalent to the net revenues received by the government are paid to the commission and are utilized for the following objectives:

- To improve horse racing in B.C. by supplement purses, breeders' awards, grants to breeder societies, improvement of horse racing facilities, race course operations and equine health research;
- To improve the economic viability of horse racing in B.C. by means of an annual plan as approved by the minister responsible for the administration of the *Horse Racing Act;*
- To meet the operating costs of the B.C. Racing Commission

To achieve the objectives and purposes identified above, the commission established three committees to provide recommendations for commission approval on disbursement of the H.R.T.R. Committees for each of the horse racing sectors are composed as follows:

The Thoroughbred Advisory Committee

# Representatives	Appointments from:
1	Chair – commissioner from the B.C. Racing Commission
2	Horsemens' Benevolent and Protective Association – B.C.
2	Canadian Thoroughbred Horse Society – B.C.
2	Pacific Racing Association
2	Interior Horse Association
2	Members at large from the B.C. Racing Commission
1	Director, B.C. Racing Commission
	Ex-officio members – other commissioners; director & secretary-treasurer

The Standardbred Advisory Committee

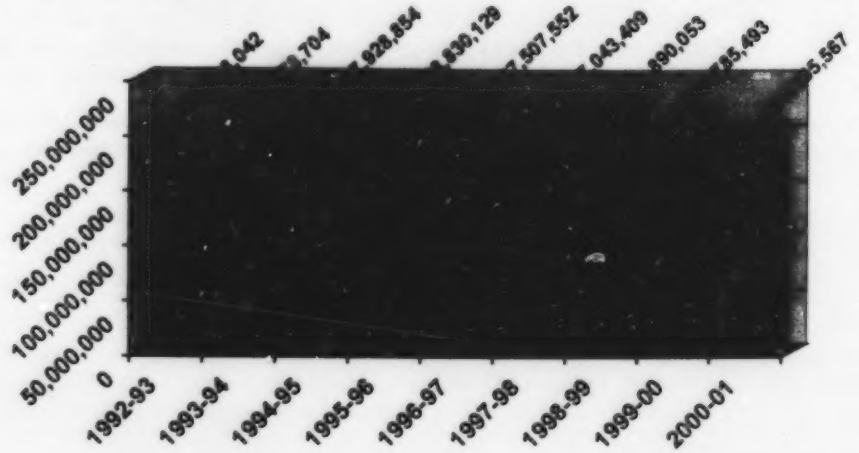
# Representatives	Appointments from:
1	Chair – commissioner from the B.C. Racing Commission
2	B.C. Standardbred Association
2	B.C. Standardbred Breeders' Association
2	Orangeville Raceway Limited
2	Members at large from the B.C. Racing Commission
1	Director, B.C. Racing Commission
	Ex-officio members – other commissioners; director & secretary-treasurer

A third committee, the Economic Development Committee, was established in accordance with the requirement for the commission to establish a long-term strategic plan aimed at improving the future economic viability of the horse racing industry and to make recommendations to the commission on the management of the plan

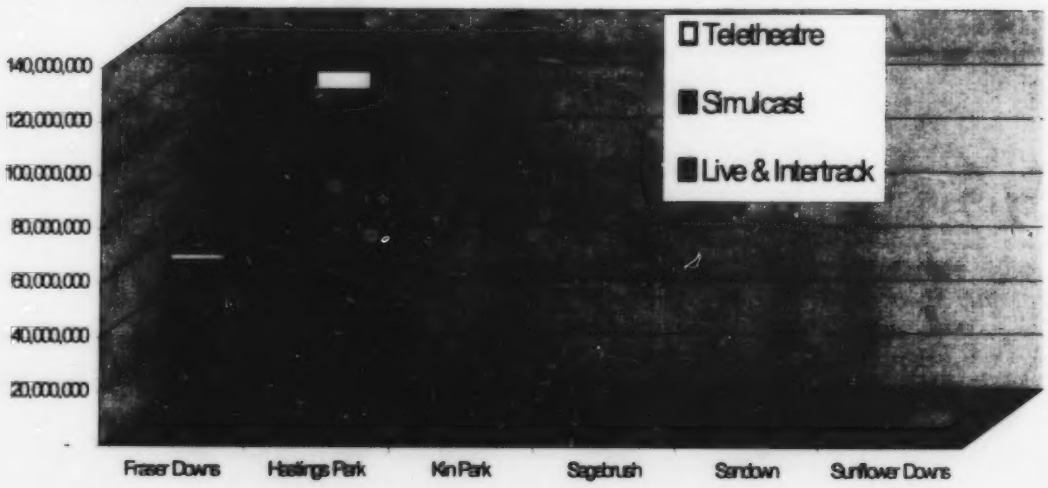
The Economic Development Committee

# Representatives	Appointments from:
1	Chair – commissioner from the B.C. Racing Commission
9	Members from the horse racing sector, business, marketing, promotion, customer relations, human resources and modern sports management
1	Director , B.C. Racing Commission
	Ex-officio members – other commissioners; director & secretary-treasurer

Total Wagering (by year)



2000-01 Wagering by Type and Track



	Fraser Downs	Hastings Park	Kin Park	Sagebrush	Sandown	Sunflower Downs	Total
Live & Intertrack	11,661,098	31,841,050	58,115	136,513	1,895,735	26,689	45,619,200
Simulcast	49,843,171	92,996,899	-	-	2,507,718	-	145,347,788
Teletheatre	3,740,891	8,287,688	-	-	-	-	12,028,579
Total	**65,245,160**	**133,125,637**	**58,115**	**136,513**	**4,403,453**	**26,689**	**202,995,567**

TRACK / RACING SEASON	# LIVE RACE DATES	INTERTRACK & SIMULCAST EVENTS	TOTAL AMOUNT WAGERED	TOTAL ATTENDANCE
FRASER DOWNS, SURREY				
1999	94	2,540	65,233,859	153,425
2000	118	1,960	65,245,160	***171,600
***based on estimates provided by the track operator				
HASTINGS PARK, VANCOUVER				
1999	109	1,760	141,211,081	498,765
2000	90	2,623	133,125,637	432,056
KIN PARK, VERNON				
1999	4	4	86,624	5,320
2000	4	3	72,122	N/A
SAGEBRUSH DOWNS, KAMLOOPS				
1999	10	55	261,715	7,050
2000	11	56	296,656	N/A
SANDOWN RACEWAY, SIDNEY				
1999	21	930	4,086,816	19,950
2000	22	1,306	4,403,453	***25,000
***based on estimates provided by the track operator				
SUNFLOWER DOWNS, PRINCETON				
1999	2	0	22,199	2,410
2000	1	0	26,689	N/A
DESERT PARK, OSOYOOS				
1999	3	4	57,434	2,112
2000	No racing in 2000			

[redacted]

	Hastings Park	
	1999	2000
Number of Races	900	756
Number of Horses Programmed	7,068	5,867
Scratches by Veterinarian	141	144
Scratches by Judges / Stewards	62	55
Inquiries	48	28
Claims of Foul	42	18
Both (Inquiries & Claims of Foul)	17	4
Changes in Order of Finish	16	6
Horses Lame After Races	17	23
Horses Failed to Finish	-	-
Horses Placed on Vet List - Post Race	-	-
Horses Destroyed	3	7
Tests Taken	1,768	1,487

[redacted] STANDARDBRED RACING STATISTICS

	Fraser Downs		Sandown Raceway	
	1999	2000	1999	2000
Number of Races	1,060	894	207	209
Number of Horses Programmed	8,525	7,065	1,496	1,397
Scratches by Veterinarian	248	176	33	24
Scratches by Judges / Stewards	24	40	12	11
Inquiries	59	78	16	14
Claims of Foul	-	-	-	-
Both (Inquiries & Claims of Foul)	-	-	-	-
Changes in Order of Finish	15	29	4	2
Horses Lame After Races	-	-	-	-
Horses Failed to Finish	22	23	8	3
Horses Placed on Vet List - Post Race	124	53	6	3
Horses Destroyed	-	3	-	-
Tests Taken	1,947	1,778	317	320

TELETHEATRES AND SIMULCASTING

During 2000-2001, the Commission regulated activities at the 20 teletheatre sites located in 19 communities throughout the province. These teletheatres carry satellite broadcasts of horse racing events from various locations within the province and elsewhere.

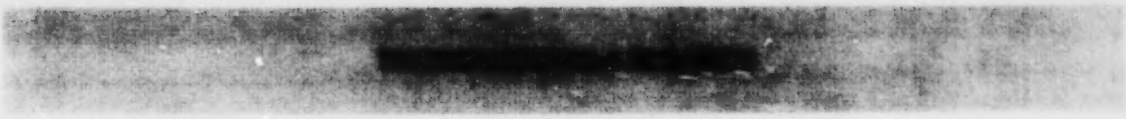
Teletheatres allow local community residents to participate in horse race wagering without having to travel extended distances to attend the live event.

The 20 sites currently in operation provide the betting public with the opportunity to watch and wager on simulcast races run throughout the province and in other parts of the world.

British Columbia Teletheatre Locations

Campbell River	The Royal Coachman Inn
Chilliwack	Best Western Rainbow Country Inn
Courtenay	Arbutus Hotel Ltd.
Cranbrook	Byng Hotel (1987) Ltd.
Duncan	Southside Inn
Kamloops	Kamloops Exhibition Association
Kelowna	The Coast Capri Hotel
Nanaimo	Occidental Hotel
Nelson	Lord Nelson Hotel
Penticton	The Penticton Convention Centre
Powell River	The Inn at Westview
Prince George	Days Inn
Prince Rupert	Coast Prince Rupert Hotel
Salmon Arm	The Coast Shuswap Lodge
Sechelt	Gilligan's Pub
Squamish	Chieftain Hotel
Trail	Terra Nova Hotel
Vernon	Kalamalka Hotel
Victoria	Cherry Bank Hotel
Victoria	The Tallyho Motor Inn

License Type	Thoroughbred				Standardbred	
	Hastings Park		Interior Tracks		Fraser Downs	
	1999	2000	1999	2000	1999	2000
Administration Employees	32	35	-	-	-	-
Admissions	16	13	-	-	6	4
Agents	11	-	-	-	-	-
Ambulance Drivers	2	4	-	-	-	-
Animal Health Technicians	1	1	-	-	-	-
Apprentice Jockeys	4	6	-	-	-	-
Auto-Tote Employees	3	10	-	-	-	-
Blacksmiths	36	33	-	-	13	12
Cafeteria Employees	7	10	-	-	9	6
Camera Operators	10	9	-	-	2	3
Clockers	3	3	-	-	-	-
Concessions	112	122	-	-	-	-
Drivers	-	-	-	-	119	103
Exercise Riders	175	168	16	16	-	-
Film Patrols	4	1	-	-	-	-
First Aid Attendants	-	-	-	-	4	2
Grooms	514	469	-	-	205	165
Honorary Licenses	88	78	-	-	4	4
Horsemens's Bookkeepers	2	1	-	-	-	-
Hot Walkers	108	89	-	-	-	-
Jockey Agents & Reps	1	11	-	-	-	-
Jockey Therapists	-	-	-	-	-	-
Jockey Valets	12	11	1	1	-	-
Jockeys	36	32	30	19	-	-
Maintenance (incl. Track)	25	33	-	-	6	7
Occupational	6	3	-	-	4	3
Officials	5	5	-	-	-	-
Outriders	4	7	-	-	2	3
Owners	2,295	2,196	161	160	678	576
Owners - Absentee	33	30	-	-	20	16
Pacific Racing Association	11	7	-	-	-	-
Paddock Judges	1	1	-	-	-	-
Pari-mutuel Employees	118	113	-	-	231	183
Patrol Judges	-	-	-	-	1	1
Pony Riders	89	100	-	-	-	-
Program Publisher	-	1	-	-	-	-
Sales Licenses	27	25	-	-	12	-
Sales Person	-	-	-	-	-	1
Security Services	37	33	-	-	23	17
Starters	3	1	-	-	4	4
Starters - Assistant	12	11	-	-	-	-
Test Inspectors	7	10	-	-	14	15
Timers	-	-	-	-	-	-
Track Doctors	1	1	-	-	-	-
Trade Licenses	19	18	-	-	5	4
Trainers	292	298	62	67	234	211
Trainers - Assistant	26	23	-	-	-	-
Truck Drivers	13	10			4	2
Veterinarians	9	9	2	2	7	5
Veterinary Employees	-	-	-	-	6	6
Total	**4,210**	**4,041**	**272**	**265**	**1,613**	**1,353**



Rulings at Hastings Park by Stewards	1999	2000
Alcohol Rulings	10	7
Failed to Obtain Criminal Record Check	4	1
Failed To Appear	2	-
Galloping Infractions	5	4
Human Drug Reinstatements	11	2
Human Drug Suspensions	2	8
Human Drug Tests refused	1	1
License Rescinded	1	-
Licenses Conditional	-	1
Outstanding Charges	-	-
Reinstated	-	17
Riding Infractions - Days	19	16
Riding Infractions - Fines	4	7
Trainer Responsibility Rulings:		
Agent Responsibility	-	-
Amended or Rescinded Rulings	1	1
Equine Positive Tests	7	4
Failure to Obtain License in Timely Manner	-	2
Horse Disqualified	-	-
Improper Equipment	18	2
Improper Horse Transfer	-	-
Improper Medication	2	1
Improper Scratches	-	-
Ineligible Horses	-	19
Lasix Horse Suspension (Bleeders)	6	8
Lasix Ruling	-	2
Late Lasix	1	-
Late Request for Quantative Analysis	-	-
Late to Paddock	8	8
Late to Test Barn	-	-
Licensee Behaviour (incl. smoking in barns, altercations, verbal abusive, security etc.)	24	17
Licenses Amended	-	-
Licenses Refused / Cancelled	3	1
Licenses Reinstated	4	-
Possession of Injectables	2	-
Protests Denied	-	1
Warnings	-	-
Suspensions:		
Alleged Fasification	-	2
Failure to Pay Fine	5	1
Falsification Fine	-	-
Financial Responsibility	5	-
On Grounds While Suspended	-	-
Pending Appearance	-	8
Suspended in Other Jurisdictions	-	-
Veterinarian Rulings	1	-
Whip Violations	4	1
Withdrawn Appeals	-	-
Total	**150**	**142**

Ruling Type	Fraser Downs 1999	Fraser Downs 2000	Sandown 1999	Sandown 2000
Acts Detrimental	10	3	-	-
Bicarb Overage	-	4	-	-
Breaking Rule Violations	1	-	-	-
Breathalizer Overage	1	-	-	-
Change Equipment	-	-	-	-
Chin Strap Violations	1	-	-	-
Disobey an Order of the Judges	3	2	-	1
Enter Grounds While Suspended	-	1	-	-
Fail to Drive When Programmed	1	1	-	-
Fail to Keep a Line in Each Hand	5	6	-	1
Fail to Participate in Post Parade	-	-	-	-
Fail to Pay Fine	-	2	-	-
Feet Out of Stirrups	-	-	-	-
Financial Responsibility	-	-	-	-
Human Positive Tests	-	5	-	-
Interference Violations	12	14	3	-
Kicked Horse	6	17	2	2
Lack of Effort / Unsatisfactory Drive	2	4	-	2
Late to Paddock	3	1	3	-
Licensing Violations	2	1	-	-
Other Miscellaneous	3	10	-	-
Passing Lane Violations	-	-	-	-
Positive Tests	2	3	-	2
Profane Language	4	14	2	-
Protest Claim	-	1	-	-
Pylon Violations	11	8	1	-
Raced Ineligible Horse	-	-	-	-
Restored to Good Standing	1	3	1	-
Slow Fractions	15	12	2	1
Smoking in Barns	2	1	-	-
Starting Violations	9	2	-	2
Talking in Front of Stands	-	-	-	-
Wheel Disc Violations	-	-	-	-
Whipping Violations	36	36	7	1
Withdrawn From "Also Eligible" List	-	-		1
Total	**130**	**151**	**21**	**13**

Audited Financial Statements

For the Year Ended March 31, 2001

BRITISH COLUMBIA RACING COMMISSION HORSE RACING IMPROVEMENT FUND

Financial Statements
March 31, 2001

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AUDITORS' REPORT

TO THE COMMISSIONERS OF BRITISH COLUMBIA RACING COMMISSION HORSE RACING IMPROVEMENT FUND

We have audited the balance sheets as at March 31, 2001 and statements of receipts and expenditures and changes in fund balances of the general program and research and facilities program of the British Columbia Racing Commission Horse Racing Improvement Fund for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

"Smythe Ratcliffe"

Chartered Accountants

Vancouver, British Columbia
June 15, 2001

BRITISH COLUMBIA RACING COMMISSION
HORSE RACING IMPROVEMENT FUND
General Program Balance Sheet
March 31

	2001	2000 (note 3)
Assets		
Cash and Short-Term Investments	$8,207,881	$3,695,088
Accrued Interest Receivable	5,622	38,597
Accounts Receivable - Provincial Government	1,164,386	633,587
Accounts Receivable - Other	99,708	3,190
Amount Due From Research and Facilities	0	79,542
	$9,477,597	$4,450,004

Liabilities and General Program Fund Balance

	Standardbred Sector	Thoroughbred Sector	2001	2000
Accounts Payable (note 4)	$1,540,194	$1,649,845	$3,190,039	$2,020,587
Economic Development Committee (note 5)	343,876	412,751	756,627	0
Amounts Held for Award Recipients (note 6)	1,054,967	922,021	1,976,988	1,153,417
	2,939,037	2,984,617	5,923,654	3,174,004
General Program Fund Balance				
Appropriated				
For Pacific Racing Association purse pool and operations	0	546,430	546,430	0
For B.C. Bred/B.C. owned stake races	0	255,000	255,000	352,800
For general stake race	0	0	0	33,750
For B.C. bred premium	0	250,000	250,000	250,000
For filly and mare purse suppiements	0	155,000	155,000	155,000
For contingencies	10,000	20,000	30,000	30,000
For B.C. Cup Day	0	60,000	60,000	0
Standardbred awards and supplements (note	1,237,000	0	1,237,000	0
Unappropriated	393,572	626,941	1,020,513	454,450
	1,640,572	1,913,371	3,553,943	1,276,000
	$4,579,609	$4,897,988	$9,477,597	$4,450,004

Approved by the Commissioners:

"Lorna Romilly"
..... Lorna Romilly, Chair

"Phillip Dong"
..... Phillip Dong, Secretary-Treasurer

BRITISH COLUMBIA RACING COMMISSION
HORSE RACING IMPROVEMENT FUND
Statement of Receipts and Expenditures and Changes in Unappropriated General Program Fund Balance
Year Ended March 31

	Standardbred Sector	Thoroughbred Sector	2001	2000 (note 3)
Unappropriated General Program Fund Balance, Beginning of Year	$128,231	$326,219	$454,450	$462,094
Receipts Allocated During the Year				
Gross amount of funds received from the Provincial government not allocated to the supplements, awards and stakes, grants and other programs (schedule)	(218,811)	1,643,929	1,425,118	1,564,723
Interest	91,316	273,947	365,263	156,763
	(127,495)	1,917,876	1,790,381	1,721,486
Other expenditures				
Pacific Racing Association loan repayment	0	700,000	700,000	0
Professional fees	17,400	27,400	44,800	40,100
Province of B.C. - B.C. Racing Commission operations	870,614	870,614	1,741,228	1,694,030
	888,014	1,598,014	2,486,028	1,734,130
Increase (Decrease) in the Unappropriated Program Fund Balance During the Year	(1,015,509)	319,862	(695,647)	(12,644)
Unappropriated General Program Fund Balance Current Year Adjustments	(887,278)	646,081	(241,197)	449,450
Transfer From Research and Facilities Fund	2,431,300	546,430	2,977,730	0
Expenditures made with appropriated funds				
- Integrated voice response	0	0	0	100,000
- B.C. Cup Day	0	0	0	60,000
- B.C. Bred/B.C. owned stake races	52,800	295,860	348,660	352,800
- General stake race	33,750	0	33,750	33,750
- B.C. bred premium	0	250,000	250,000	250,000
- Filly and mare purse supplements	0	155,000	155,000	0
Appropriations				
- Pacific Racing Association - purse pool and operations	0	(546,430)	(546,430)	0
- B.C. Bred/B.C. owned stake races	0	(255,000)	(255,000)	(352,800)
- B.C. Cup Day	0	(60,000)	(60,000)	0
- General stake race	0	0	0	(33,750)
- B.C. bred premium	0	(250,000)	(250,000)	(250,000)
- Filly and mare purse supplements	0	(155,000)	(155,000)	(155,000)
- Standardbred awards, stakes and supplements	(1,237,000)	0	(1,237,000)	0
Unappropriated General Fund Balance, End of Year	$393,572	$626,941	$1,020,513	$454,450

BRITISH COLUMBIA RACING COMMISSION
HORSE RACING IMPROVEMENT FUND
Schedule of Receipts From the Provincial Government and Allocation to Various Programs
Year Ended March 31

	Standardbred Sector	Thoroughbred Sector	2001	2000
				(note 3)
Receipts From Provincial Government (Sandown Park $300,535)	$4,770,203	$9,096,803	$13,867,006	$11,117,732
Deduct: Allocation to Research and Facilities	0	0	0	3,776,143
Available For General Programs	4,770,203	9,096,803	13,867,006	7,341,589
Supplements				
Filly and mare purse supplements	0	136,055	136,055	155,291
Incremental purse supplement	0	560,300	560,300	0
General purse supplement	92,539	1,027,105	1,119,644	1,163,017
B.C. bred purse supplements	0	697,330	697,330	775,400
Orangeville Raceway	1,113,141	0	1,113,141	0
HRIF (Sandown)	300,536	0	300,536	142,693
Sandown	217,751	0	217,751	0
Stake races	8,616	0	8,616	42,033
	1,732,583	2,420,790	4,153,373	2,278,434
Awards and Stakes				
B.C. bred bonus	469,809	0	469,809	0
B.C. bred/B.C. owned stake races	240,348	255,000	495,348	418,133
Broodmare awards	693,527	769,331	1,462,858	1,186,690
Sales stakes awards	95,480	0	95,480	96,580
Sire stakes-Stallion awards	400,544	181,251	581,795	308,600
Stallion stakes	140,138	0	140,138	467,220
	2,039,846	1,205,582	3,245,428	2,477,223
Grants to Breeders/Racing Associations				
C.T.H.S. - B.C. Division (Operational)	0	130,013	130,013	139,818
- B.C. Cup Day	0	0	0	110,000
- Other grants	0	596	596	20,000
B.C. Standardbred Breeder's Society	57,295	0	57,295	122,720
Interior race track associations	0	179,200	179,200	211,782
	57,295	309,809	367,104	604,320
Other				
Industry	111,885	299,838	411,723	323,269
Tattoo costs and "turf" awards	0	51,737	51,737	93,620
Economic Development Committee Program	350,000	650,000	1,000,000	0
Industrial marketing fund	344,835	0	344,835	0
Capital improvements	265,696	0	265,696	0
Industry development	79,015	0	79,015	0
Miscellaneous	2,859	13,861	16,720	0
Equine health research	5,000	9,081	14,081	0
Thoroughbred facility	0	2,492,176	2,492,176	0
	1,159,290	3,516,693	4,675,983	416,889
Total Allocated to General Programs	4,989,014	7,452,874	12,441,888	5,776,866
Balance Allocated to Unappropriated General Fund Balance	$(218,811)	$1,643,929	$1,425,118	$1,564,723

BRITISH COLUMBIA RACING COMMISSION
HORSE RACING IMPROVEMENT FUND
Research and Facilities Program
Balance Sheet
March 31

	2001	2000 (note 3)
Assets		
Cash and Short-Term Investments	$0	$2,685,543
Accrued Interest Receivable	0	32,315
Accounts Receivable - Provincial Government	0	271,438
	$0	$2,989,296
Liabilities		
Account Payable - Pacific Racing Association	$0	$0
Account Payable - B.C. Standard Breeders Association	0	4,521
Amount Due to HRIF Fund	0	79,542
	0	84,063
Research and Facilities Program Fund Balances		
Appropriated for		
Track improvements	0	0
Breeding project grant	0	0
Standardbred Sector	0	2,358,803
Thoroughbred Sector	0	546,430
	0	2,905,233
	$0	$2,989,296

BRITISH COLUMBIA RACING COMMISSION
HORSE RACING IMPROVEMENT FUND
Research and Facilities Program
Statements of Receipts and Expenditures and Changes in Fund Balance
Year Ended March 31

	Standardbred Sector	Thoroughbred Sector	2001 Total	2000 Total
				(note 3)
Receipts Allocated During the Year				
Provincial Government	$0	$0	$0	$3,776,143
Interest	0	0	0	97,967
	0	0	0	3,874,110
Expenditures Allocated During the Year				
Thoroughbred facility	0	0	0	2,058,525
Track improvement	0	0	0	1,311,202
Lasix program	0	0	0	33,601
	0	0	0	3,403,328
Receipts Over Expenditures for Year	$0	$0	$0	$470,782

Statement Of Changes in Research and Facilities Program Fund Balance

Balance, Beginning of Year	$2,358,803	$546,430	2,905,233	1,364,451
Receipts Over Expenditures for the Year	0	0	0	470,782
Returned Funds for Track Improvements	72,497	0	72,497	0
Transfer to HRIF	(2,431,300)	(546,430)	(2,977,730)	0
Expenditures Made With Appropriated Funds				
Track improvements	0	0	0	1,020,000
Breeding project grant	0	0	0	50,000
Balance, End of Year	$0	$0	$0	$2,905,233

BRITISH COLUMBIA RACING COMMISSION
HORSE RACING IMPROVEMENT FUND
Notes to Financial Statements
Year Ended March 31

1. OPERATIONS

The Fund recorded its activities in two segments - one called the general program and the other called the research and facilities program. Each program was presented separately to reflect the program's distinct mandate as set out by regulations. As of April 1, 2000 the research and facilities program has been discontinued and funds remaining were transferred to the general program. The general program's mandate is to receive and distribute monies for the purpose of enhancing and improving horse racing in B.C. Due to closing of research and facilities program, improvements of race track facilities and research is handled by the general fund.
The revenue of the Horse Racing Improvement Fund is dependent on the total dollars wagered in B.C. by the racing patrons.

The Fund records all revenues on the accrual method.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

The Fund's financial instruments consists of cash and short-term investments, accounts receivable, accounts payable, amounts due to race associations, monies held for distribution to recipients of awards, and amount due to Horse Racing Improvement Fund. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows.

(c) Appropriations

Appropriations in the Standardbred sector are for the next three years.

3. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the current year presentation.

4. ACCOUNTS PAYABLE

	Standardbred Sector	Thoroughbred Sector	2001 Total	2000 Total
				(note 3)
Province of B.C. - B.C. Racing Commission Operations	$870,614	$870,614	$1,741,228	$1,699,054
Orangeville Raceway	554,727	0	554,727	0
B.C.S.B.S.	54,237	0	54,237	0
B.C.S.A.	6,434	0	6,434	0
Equine health research	5,000	9,080	14,080	14,279
Audit fees	3,350	6,650	10,000	10,000
Pacific Racing Association	0	732,647	732,647	0
H.B.P.A.	0	5,840	5,840	8,253
C.T.H.S.	0	25,014	25,014	32,943
Owned and sired stakes	326	0	326	80,170
Non-stake races (Sandown)	0	0	0	41,919
General purse supplements (Sandown)	6,812	0	6,812	40,923
B.C. Bred stake races (Sandown)	38,694	0	38,694	93,046
	$1,540,194	$1,649,845	$3,190,039	$2,020,587

5. ECONOMIC DEVELOPMENT COMMITTEE APPROPRIATIONS

	Standardbred Sector	Thoroughbred Sector	2001 Total	2000 Total
				(note 3)
TBC Teletheatre	$83,333	$166,667	$250,000	$0
Bannerline	6,667	13,333	20,000	0
Funds to be distributed	253,876	232,751	486,627	0
	$343,876	$412,751	$756,627	$0

6. AMOUNTS HELD FOR AWARD RECIPIENTS

	Standardbred Sector		Thoroughbred Sector	
	2001	2000	2001	2000
Broodmare awards	$565,158	$196,870	$366,215	$349,552
B.C. bred/B.C. owned stake races	0	0	320,818	320,818
B.C. bred bonus	469,809	0	87,413	0
Sire stake-Stallion awards	20,000	0	0	83,436
B.C. bred purse supplements	0	0	80,912	80,912
Filly and mare purse supplements	0	0	65,616	62,630
General purse supplements	0	0	1,047	59,199
	$1,054,967	$196,870	$922,021	$956,547